

Message Text

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ORIGIN EA-14

INFO OCT-01 ISO-00 CIAE-00 DODE-00 INR-11 NSAE-00 PA-04

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DRAFTED BY EA/P:STAFF:PP
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R 022142Z AUG 74
FM SECSTATE WASHDC
TO AMEMBASSY SAIGON
INFO ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS
AMCONSUL BIEN HOA
AMCONSUL CAN THO
AMCONSUL DANANG
AMCONSUL HONG KONG
AMCONSUL NHA TRANG
USDEL JEC PARIS
TREASURY
USSAGE NKP
CINCPAC
COGARD
XMT AMEMBASSY SUVA
AMEMBASSY RANGOON

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COGARD FOR POLAD

E.O. 11652: N/A
TAGS: PFOR, XC, US
SUBJECT:AUGUST 2 EA PRESS SUMMARY

INDOCHINA

1. HOUSE APPROPRIATIONS COMMITTEE APPROVES DOD FY 75
MONEY BILL THAT INCLUDES MIL AID TO SVN (UPI, NYDN).
MIL AID TO SVN SET AT ONE BILLION DOLLARS BY HAC
(WSJ). CORDDRY (SUN) NOTES THAT DOD FUNDING BILL
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APPROVED BY HAC CONTAINS ONE BILLION FOR SVN, MADE
UP OF NEW APPROPRIATION FOR 922 MILLION WITH FUND
TRANSFERS FROM PREVIOUS YEARS MAKING UP DIFFERENCE.

2. GVN MINISTRY OF TRADE AND COMMERCE ANNOUNCES OIL DRILLING OFF COAST IN SOUTH CHINA SEA WILL BEGIN NEXT WEEK (AP, WP). MINISTRY SPOKESMAN SAYS SHELL OIL WILL START DRILLING ON CONTINENTAL SHELF ABOUT 200 MILES SOUTH OF VUNG TAU AND EXPECTS TO PUT IN THREE WELLS THIS YEAR; EXXON AND MOBIL PLAN TO COMMENCE DRILLING IN SEPTEMBER (AP, NYPOST 8/1). SO FAR EIGHT INTERNATIONAL COMPANIES, MAINLY US, HAVE BEEN GRANTED OIL RIGHTS TO THIRTEEN 1700-TO-2700 SQUARE-MILE OFFSHORE BLOCKS. GVN RECEIVED 46 MILLION DOLS IN "SIGNATURE" BONUSES AND ABOUT 400,000 IN EXPLORATION TAXES. SVN IMPORTS ALL POL, HAS SET CEILING OF 100 MILLION DOLS FOR OIL

IMPORTS THIS YEAR; LAST YEAR'S LEVEL WAS 85 MILLION BUT WOULD COST ABOUT 220 MILLION AT CURRENT PRICES (AP, SUN).

3. COMMUNIST ATTACKS OPEN FIFTH FRONT IN DRIVE AGAINST SW APPROACHES TO DA NANG, BUT AS YET NO GROUND ATTACK AGAINST CITY LAUNCHED (UPI, BALTO N-A 8/1). TWO MORE GVN OUTPOSTS AND FIVE VILLAGES OVERRUN IN SIXTEENTH DAY OF FIGHTING IN AREA SOUTH OF DA NANG (WP). ABOUT 4000 VILLAGERS FROM AROUND QUE SON DISTRICT TOWN FLEE; NO IMMEDIATE REPORT ON FATE OF 500 DEFENDERS OF TWO GVN OUTPOSTS, FOUR AND SIX MILES SW OF QUE SON, THAT FELL. FIELD REPORTS SAY ARVN ATTEMPTS TO RELIEVE PRESSURE ON BESIEGED DISTRICT TOWNS SW OF DA NANG FAIL TO MAKE PROGRESS DUE TO ARTILLERY AND ROCKET BOMBARDMENT. IN CENTRAL HIGHLANDS, NVA OVERRUNS GVN OUTPOST IN KONTUM CITY, BUT COMMAND SAYS WAS RECAPTURED WITHIN HOURS. COMMUNIST GUNNERS SHELL QUI NHON AND ATTACK HAMLET 80 MILES TO WEST. HIGHWAY 1 CUT ABOVE QUI NHON AS WELL AS HIGHWAY 19 LEADING TO PLEIKU. GVN MIL SPOKESMAN SAYS FLAREUP PRESENTS NO IMMEDIATE THREAT TO DA NANG AND QUI NHON (AP, SUN).
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4. REUTER SAIGON (CSM) REPORTS CHANGE IN "SHAPE" OF WAR POSES NEW PROBLEMS FOR BOTH SIDES. ARVN FACES CRITICAL TESTS IN ADAPTING TO PROSPECTIVE US AID CEILINGS AND WORSENING ECON SQUEEZE WHILE TRYING TO MAINTAIN MORALE AND CHANGE TACTICS. ARMY HAS FOUGHT BETTER THAN MOST FOREIGNERS EXPECTED SINCE US WITHDRAWAL AND, ACCORDING WESTERN EXPERTS, BETTER THAN IT DID WHEN AMERICANS THERE. BUT SOLDIERS WORRY ABOUT FAMILIES' ECON TROUBLES AND ARE UNDER ORDERS TO LEARN TO FIGHT WITHOUT RELYING ON UNLIMITED SHELLS AND BOMBS. WESTERN INTELLIGENCE SOURCES REPORT OTHER SIDE HAS PROBLEMS OF MORALE AND TACTICS, LARGELY STEMMING FROM REPLACEMENT OF

LOCAL VC BY NVA IN MANY AREAS; NEW SOLDIERS ARE AWAY FROM HOME AND LACK CLASSIC GUERRILLA ORIENTATION. ANALYSTS SAY THIS BECAME INEVITABLE WITH HEAVY VC LOSSES OVER YEARS, BUT THERE IS NO SIGN OF LETUP IN NVN AND VC DETERMINATION, AND LOGISTICS POSITION GIVES THEM ABILITY TO INCREASE AND KEEP UP PRESSURE WHEN THEY CHOOSE.

NEGOTIATION RUMORS ABOUND IN SAIGON BUT SOUNDS OF WAR ARE LOUDER; ANY SUCH EFFORTS OR POLITICAL DEVELOPMENTS ALWAYS RELATED TO JUDGMENTS OF EACH SIDE'S ABILITY TO ENDURE ON BATTLEFIELD. THIEU PUBLICLY CALLS ON TROOPS TO PRACTICE ECONOMY AND DEMANDS TO KNOW HOW MUCH AID CAN EXPECT FROM US. EFFICIENT USE OF ANTICIPATED ONE BILLION DOLS RUNS INTO SNAGS BECAUSE AIR, ARTILLERY AND ARMOR STILL CALLED IN WHEN SITUATION SEEMS CRUCIAL, THOUGH LESS AVAILABLE THAN IN PAST. IMPROVEMENT IN TRANSPORT AND WEAPONS HELPS COMMUNISTS MOVE QUICKLY TO TIP BALANCE IN GIVEN AREA; ESTIMATES INDICATE THEY HAVE MORE THAN ENOUGH MEN AND EQUIPMENT IN SVN TO LAUNCH AND SUSTAIN MAJOR OFFENSIVE. SOME ANALYSTS PREDICT THEY WILL KEEP PRESSURE ON GVN AND STRENGTHEN POSITION WHILE MAKING STRATEGIC THRUSTS AND KEEPING EYE ON US AID LEVELS AND SVN DIFFICULT ECON POSITION. VC DELEGATION AT SAIGON SCOFFS AT GENERAL OFFENSIVE, SAYS FORCES AIM TO RETAKE TERRITORY SEIZED BY GVN UNCLASSIFIED

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AFTER C-F AND TO HIT BASES TO CUT OFF ACTIVITY AGAINST THEIR ZONES. UNKNOWN FACTOR IS PROSPECT OF BEHIND-THE-SCENES ACTIVITY THAT MIGHT PRODUCE NEW EFFORT TO IMPLEMENT C-F.

5. SHIPLER (NYT) FROM SAIGON DESCRIBES US-FUNDED WELFARE PROGRAM THAT AIMS AT REDUCING ABANDONMENT OF CHILDREN BY DESTITUTE FAMILIES. FAMILY ASSISTANCE PROGRAM FUNDED BY USAID WITH 476,000 DOLS AND RUN THROUGH MINISTRY OF SOCIAL WELFARE GIVES ONE-SHOT OR SHORT-TERM HELP TO AVOID DEPENDENCE. MONEY CHANNELLED THROUGH PRIVATE AGENCIES, MOST RELIGIOUS GROUPS, TO BYPASS BUREAUCRACY AND CUT OVERHEAD. SHIPLER QUOTES PROGRAM DIRECTOR, MISS QUOI, THAT PROGRAM RUN ON TRUST, THOUGH OCCASIONAL CHECKS MADE.

PROGRAM TOO SMALL AND NEW TO HAVE MADE IMPACT ON 900,000 TO ONE MILLION CHILDREN WHO HAVE LOST ONE OR BOTH PARENTS; BUT SHIPLER SAYS IT HAS TAUGHT SOMETHING ABOUT RESILIENCE OF ECONOMY AND IMPACT OF WELL-PLACED CASH. MISS QUOI ADMITS FAILURES BUT IS DETERMINED TO KEEP CHILDREN WITH FAMILIES. IDEA APPEALS TO VIETS WHO LARGELY RESENT OVERSEAS ADOPTION

AS INSULTING, THOUGH ABOUT 1100 ORPHANS WERE PLACED ABROAD IN PAST YEAR. ADOPTION VOLAG HAS 500,000 DOL US GRANT TO BEGIN FAMILY ASSISTANCE PLAN SIMILAR TO MSW'S. CHILD WELFARE WAS TRADITIONALLY FAMILY MATTER, BUT NOW LESS AVERSION TO GOVT HELP BECAUSE OF WAR DISRUPTION. BOTH US AND GVN OFFICIALS SHOW GROWING INTEREST IN CHILD-WELFARE PROGRAMS WITH USG GIVING 7.2 MILLION DOLS IN LAST FY AND ASKING CONGRESS FOR TEN MILLION DOLS THIS FY.

KOREA

6. BISHOP CHI'S TRIAL BEGAN THURSDAY WITH HIS APPEARANCE BEFORE MILITARY COURT; NO DATE FOR HIS NEXT HEARING ANNOUNCED (UPI, NYDN). COMMUNIQUE AFTER FIRST DAY'S SESSION SAID CHI HAD ADMITTED GIVING STUDENT ORGANIZATIONS \$2700 WITH PROMISE TO LINE UP PROTESTANT AND CATHOLIC ELEMENTS BEHIND PLOT TO OVERTHROW PARK. KIM JONG-PIL UNCLASSIFIED

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DECLARES HUMAN RIGHTS IN SK MUST YIELD TO ECON AND POLITICAL STABILITY UNTIL 1981 (AP SUN, CHITRIB, WSJ, NYPOST 8/1).

7. CSM'S POND, IN TOKYO, OBSERVES THAT IN CASE OF STUDENTS AND OTHER DISSIDENTS BEING HELD BY ROKG, SOME NOTICE OF TRIAL DATES HAS USUALLY BEEN GIVEN TO THEIR FAMILIES AND, AT LEAST IN THEORY, ONE MEMBER OF IMMEDIATE FAMILY HAS BEEN ALLOWED TO BE PRESENT AT EACH OF TRIALS. BUT IN CHI'S CASE NO OUTSIDER OTHER THAN HIS LAWYER WAS INFORMED OF TRIAL, AND NO WITNESS FRIENDLY TO BISHOP WAS PRESENT. SAYS CATHOLIC SOURCES IN TOKYO ZERE NOT EVEN SURE HIS LAWYER WAS PRESENT AT TRIAL. ONLY NEWS ABOUT BISHOP'S TRIAL AND PRESENT DETENTION HAS COME FROM JAPANESE REPORTER WHO SAW CHI BEING TAKEN OUT OF HOSPITAL BEHIND KCIA HQS THURSDAY MORNING. EXTRA SECRECY IN CHI'S CASE, POND SUGGESTS, IS APPARENTLY OCCASIONED BY HIS DARING IN MAKING PUBLIC CALLS FOR RESTORATION OF SK DEMOCRACY AND BY GOVT CONCERN OVER POSSIBLE REACTION TO HIS STAND AMONG COUNTRY'S CATHOLICS.

8. WP'S OBERDORFER, IN SEOUL, NOTES THAT SK'S CONTROLLED PRESS CARRIED GOVT ANNOUNCEMENT ON CHI TRIAL WITHOUT AMPLIFICATION OR COMMENT AND WITHOUT MENTIONING THAT DEFENDANT IS BISHOP. AS IN RECENT TRIALS THAT ENDED IN DEATH PENALTY OR PRISON SENTENCES FOR 91 DEFENDANTS, FOREIGN PRESS AND KOREAN PUBLIC BARRED FROM COURTROOM. OBSERVES THAT SK PRESS ALSO HEAVILY EDITED CRITICAL REMARKS OF FRASER AND REISCHAUER AT TUESDAY'S HFA SUBCOMMITTEE HEARING.

REPORTS KIM JONG-PIL REACTED STRONGLY TO US CONGRESSIONAL SUGGESTIONS THAT US TROOP STRENGTH AND FINANCIAL AID TO SK BE REDUCED OR ELIMINATED BECAUSE OF POLITICAL FREEDOM VIOLATIONS. IN RELATED DEVELOPMENT, LEADERS OF SIX PROTESTANT CHURCH ORGANIZATIONS COMPRISING NATIONAL COUNCIL OF CHURCHES HAVE REQUESTED MEETING WITH PARK OR KIM JONG-PIL TO EXPRESS OPPOSITION TO

EMERGENCY DECREES AND ASK FOR RELEASE OF THOSE ARRESTED
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OR CONVICTED UNDER THEM (PHINQ ALSO).

9. NYT'S BUTTERFIELD, IN SEOUL, CALLS ATTENTION TO WARNING BY NATIONAL COUNCIL OF CHURCHES THAT IF PARK DECREES ARE NOT WITHDRAWN AND PRISONERS ARRESTED UNDER THEM FREED, PROTESTANTS WILL STAGE MASS PROTEST RALLY IN SEOUL WEEK FROM SUNDAY. NOTES "LARGELY POWERLESS" NATIONAL ASSEMBLY HAS MET FOR FIRST TIME IN SEVEN MONTHS TO CONSIDER OPPOSITION PARTIES' DEMAND FOR REPEAL OF FIRST TWO EMERGENCY DECREES.

10. HOUSE DEFENSE APPROPRIATIONS SUBCOMMITTEE, IN REPORT TO CONGRESS ON 83.3 BILLION DOL DEFENSE BUDGET FOR COMING YEAR, SAYS US FORCES STATIONED IN SK SHOULD BE GRADUALLY PULLED OUT UNLESS THEY CAN BE RE-ORGANIZED AS RESERVE FOR US FORCES IN PACIFIC. SUGGESTS ALSO THAT INDIVIDUAL KOREANS SERVING WITH US DIVISION SHOULD BE SOON TRANSFERRED TO SK ARMY SO US UNIT CAN BE PREPARED FOR ITS RESERVE ROLE. SUBCOMMITTEE SAYS US UNITS ALONG DMZ NOW ARE DEPLOYED IN SUCH WAY AS TO MAKE US COMBAT INVOLVEMENT ALMOST INEVITABLE IN EVENT OF MAJOR NK OFFENSIVE, AND ADDS THAT US CONTROL OF SK FORCES MAKES US INVOLVEMENT AUTOMATIC IN EVENT OF EVEN MINOR CLASHES BETWEEN KOREAS (REUTER AUG. 1).

CHINA

11. NYT HK (WITH UPI PHOTO SHOWING CHOU AT HEAD OF GROUP OF CHINESE OFFICIALS LEAVING BANQUET CHAMBER AFTER ARMY DAY RECEPTION) REPORTS POLITICAL ANALYSTS ASSERTING CHOU'S PRESENCE AT ARMY DAY RECEPTION WAS MEANT TO SHOW HE STILL IN CONTROL. SAYS CHINA CELEBRATED OCCASION WITH BIG DISPLAY OF UNITY AND DISCLOSED REHABILITATION OF HIGH-RANKING MIL OFFICERS PURGED DURING GPCR. MOST PROMINENT OF REHABILITATED MIL MEN WAS YANG CHENG-WU, ACTING CS OF PLA FROM 1966 UNTIL DISMISSAL IN MARCH 1968, REPORTEDLY BECAUSE HE OPPOSED MAO AND LIN PIAO, PERSECUTED CHIANG CHING, BUGGED MAO'S STUDY AND PASSED INFO THUS ACQUIRED TO RUSSIANS.

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NOTES THAT YANG'S NAME LED GROUP OF 13 REHABILITATED MEN, MANY OF WHOM DISAPPEARED FROM PUBLIC VIEW SIX TO EIGHT YEARS AGO. GROUP INCLUDED YU LI-CHIN, FORMER POLITICAL COMMISSAR OF AIR FORCE, WHO WAS PURGED AT SAME TIME AS YANG. REPORT CIRCULATED THEN THAT

YU'S CRIME WAS HE TRIED TO SMUGGLE LIU SHAO-CHI TO USSR. UNKNOWN WHAT OFFICIAL POSTS, IF ANY, REHABILITATED MEN HOLD; NNNA SET THEIR NAMES APART FROM THOSE IDENTIFIED AS HOLDING POSITIONS IN ARMED FORCES, CCP OR GOVT. BUREAUCRACY.

NOTES THAT AS WAS CASE LAST YEAR, ARMY DAY PASSED WITHOUT SPECIAL EDITORIAL, THERE WERE NO SPEECHES AT RECEPTION, INDICATING NO CHANGE IN MILITARY'S CURRENT LOW PROFILE.

HONK KONG

12. EFFECTIVE OCTOBER 1, HK WILL LIMIT EXPORTS OF ALL COTTON, WOOL AND ARTIFICIAL-FIBER TEXTILES TO US TO 835 MILLION SQUARE YARDS UNDER NEWLY-SIGNED THREE-YEAR AGREEMENT MADE PUBLIC TUESDAY BY DOS (AP, BALT N-A 8/1).

JAPAN

13. SUN'S CORDDRY REPORTS HOUSE APPROPRIATIONS COMMITTEE CALL FOR FAR-REACHING REVAMPING OF MILITARY HEADQUARTERS IN PACIFIC AREA AND "SEARCHING RE-EXAMINATION" OF AMERICAN INTERESTS AND LONG-RANGE AIMS IN EA, PLAINLY AIMED AT BRINGING EVENTUAL FORCE REDUCTIONS. COMMITTEE INDICATED SPECIAL ATTENTION TO JAPAN'S ROLE IN REGIONAL SECURITY, SAYING: "MOST PRUDENT COURSE MAY BE TO RECOGNIZE THE INEVITABILITY OF SUBSTANTIAL JAPANESE REARMAMENT IN THE RELATIVELY NEAR FUTURE AND TO ATTEMPT TO GUIDE THE PROCESS ALONG LINES CONSISTENT WITH AMERICAN GOALS IN THE FAR EAST."

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14. KIMURA, BEFORE FOREIGN RELATION COMMITTEE OF DIETS' UPPER HOUSE, CHARGES SK HAS NOT FULFILLED PROMISE TO SOLVE KIM DAE JUNG KIDNAPPING (AP, NYT). SAYS "MOOD" IN RELATIONS WOULD NOT PERMIT CABINET-LEVEL MEETING TO HAVE BEEN HELD IN SEOUL THIS FALL AND THAT JAPAN WILL POSTPONE NEW AID COMMITMENTS

AS INDICATION OF DISPLEASURE WITH PARK'S POLICIES
TOWARD TOKYO (LAT NEWS SERVICE, WP).

15. JAPAN AND CHINA HAVE SUSPENDED THREE-WEEK-
OLD NEGOTIATIONS ON SHIPPING AGREEMENT WITHOUT
REACHING SETTLEMENT. GOJ ANNOUNCEMENT GAVE NO
REASON FOR SUSPENSION AND SAID CHINA HAS PROPOSED
EARLY RESUMPTION OF TALKS IN PEKING. YOMIURI SAYS
CHINA'S DEMAND FOR REMOVAL OF NATIONALIST FLAG

FROM TAIWAN SHIPS VISITING JAPAN THREATENED TO
DEADLOCK TALKS (UPI, JOC).

16. TANAKA HAS REPORTEDLY TOLD NAKASONE THAT PHASE-
OUT OF PRICE FREEZES AND CONTROLS ON INDUSTRY EXPENDITURES
FOR NEW PLANTS AND EQUIPMENT SHOULD BEGIN SOON
AS POSSIBLE. POSSIBILITY THAT EPA COULD OPPOSE
IN CABINET, FEELING PRICE CONTROLS AND INVESTMENT
FREEZE SHOULD CONTINUE AT LEAST THROUGH NEXT MARCH
(JOC).

17. GLOBE'S STORIN REPORTS FOMIN KIMURA ANNOUNCED
THAT NEW EFFORT TO GAIN APPROVAL OF NPT WILL BE
LAUNCHED IN NEXT DIET SESSION.

18. IN FIRST OF SERIES ON ME, JOC'S CULLISON REPORTS
OIL CRISIS SPURS JAPANESE ECONOMIC THRUST THEREBM
INCREASING BILATERAL ARAB-JAPAN ARRANGEMENTS BEING
PROMOTED, INVOLVING ECONOMIC AND TECHNICAL COOPERATION
IN EXCHANGE FOR STEADY CRUDE OIL SUPPLY. WHILE
ARABS FAVOR GOVT LEVEL AGREEMENTS, TOKYO RELUCTANT
TO PROVIDE GUARANTEES FOR PRIVATE JAPANESE COMPANIES.
EVIDENCE THAT JAPAN WILL LATER BEGIN LAUNCHING
MASSIVE TANKER FLEET FOR OIL-PRODUCING STATES.
JAPAN HOPES EVENTUALLY TO ENSURE LOW PRICE CRUDE
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SUPPLY BY MOVING INTO JOINT REFINING OPERATIONS
WITH ARABS.

19. USSR ORDERS 2000 TRUCKS AND TRACTORS WORTH 34 MILLION
DOLS FOR FORESTRY DEVELOPMENT IN SIBERIA. MITI EXPECTS
ORDERS FOR 10,000 ADDITIONAL UNITS FOR SAME PROJECTS.
NEGOTIATIONS TO BEGIN NEXT MONTH ON AGREEMENT FOR EXPORT
TO RUSSIA OF CONSTRUCTION MACHINERY FOR COAL EXPLORATION
IN YAKUTSK (JOC).

20. NISSAN ANNOUNCES AUTO EXPORTS TO US TO BE CUT 1/3
BY OCT DUE TO SLUGGISH SALES (REUTER, NYT). NIKKEI
SANGYO PREDICTS OTHERS MAY FOLLOW SUIT (UPI, JOC).

LOS

21. US REJECTS COMPROMISE PROPOSAL FOR 12-MILE TERRITORIAL LIMIT AND 200-MILE ECONOMIC ZONE PUT FORTH BY CANADA, NZ, INDONESIA AND 6 OTHER NATIONS. US DELEGATE STEVENSON SAYS PLAN DOES NOT MENTION FREE NAVIGATION THROUGH STRAITS AND CITES PLAN'S FAILURE TO "MAKE IT SUFFICIENTLY CLEAR THAT ALL HIGH SEAS FREEDOMS RECOGNIZED BY THE GENERAL PRINCIPLES OF INTERNATIONAL LAW ARE PRESERVED" IN PROPOSED ECONOMIC ZONE (AP, SUN; WP).
COMMENT AND ANALYSIS

KOREA

22. NYT'S GWERTZMAN REPORTS ROKG CRACKDOWN ON POLITICAL DISSENT ALARMING MANY SK'S FRIENDS IN WASHINGTON, BOTH WITHIN AND OUTSIDE ADMIN. NOTES PARK HAS HEARD AND REJECTED ADVICE OFFERED IN PRIVATE TO EASE UP ON HIS TOUGH POLICIES AGAINST POLITICAL DISSENT, AND DOS ADMITS TO CERTAIN FRUSTRATION IN DEALING WITH KOREANS, WHO SEEM UNCONCERNED AT HIGHEST LEVEL OVER RUTHLESS IMAGE THEY HAVE CREATED IN LAST FEW MONTHS. RECENT EVENTS PARTICULARLY DISTRESSING BECAUSE FOR YEARS SK REGARDED HERE AS STRIKING EXAMPLE OF GOOD US AID COULD BRING TO UNDEVELOPED COUNTRY. IN ADDITION TO HELPING S. KOREANS IN 1950-53 WAR, US
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HAS GIVEN 12 BILLION DOLLARS TO SK, HELPING IT BECOME ONE OF STRONGEST EA NATIONS MILITARILY AND ECONOMICALLY. EVEN AFTER PARK TOOK CONTROL THROUGH MIL COUP, WASHINGTON HOPED THAT ON BASIS OF ITS NEW STABILITY, SK MIGHT EVOLVE INTO DEMOCRACY, BREAKING TRADITIONAL AUTOCRATIC MOLD.

NOTES THAT BECAUSE OF ARRESTS OF DISSIDENTS AND WIDESPREAD REPORTS OF TORTURE AND FORCED CONFESSIONS, SEN. CHURCH AND REP. FRASER HAVE TAKEN LEAD IN ADVOCATING SUSPENSION OF OR CUT IN SECURITY ASSISTANCE FOR SEOUL IN THIS FY. CITES FRASER'S ARGUMENT: "IN DECIDING UPON THE LEVEL OF MILITARY ASSISTANCE TO SK, WE SHOULD HAVE NOT ONLY TAKEN INTO ACCOUNT THE THREAT OF AGGRESSION BY THE NORTH KOREANS, BUT THE FACT THAT OUR ASSISTANCE STRENGTHENS THE SOUTH KOREAN GOVERNMENT'S ABILITY TO OPPRESS ITS OWN PEOPLE." CITES HAK'S RESPONSE, REPEATED BY HUMMEL, THAT "STABILITY AND SECURITY OF SK WERE CRUCIAL TO THE SECURITY OF THE EAST ASIAN AREA." HAK ALSO DECLARED JAPAN'S SECURITY DEPENDS ON STABILITY IN KOREA AND THAT GOJ AGREED WITH US ASSESSMENT. "IN OUR VIEW THE PREVENTION OF WAR ON THE KOREAN PENINSULA IS THE FIRST AND MOST IMPORTANT STEP TOWARD THE MAINTENANCE

OF HUMAN LIBERTIES," HUMMEL DECLARED.

GWERTZMAN RECALLS HAK MAKING CLEAR IN PAST THAT HE DOES NOT SUPPORT IDEA OF US TRYING TO IMPOSE ITS ETHICAL VALUES ON ANOTHER COUNTRY; ADDS THAT THIS POLICY MIGHT BE FRUSTRATED BY CONGRESS.

23. IN LETTER TO NYT, DIRECTOR OF KOREAN RESEARCH COUNCIL (IN CARMEL, CALIF) KYUNG CHO CHUNG SAYS SK DEMOCRACY IS UNLIKELY TO BE ACHIEVED UNLESS BOTH KOREAS GIVE UP PRESENT PROPAGANDA WAR AND ITS ULTIMATE AIM OF OVERTHROWING ONE ANOTHER, WHILE MAINTAINING HALF-MILLION SOLDIERS EACH; IN NAME OF NATIONAL SECURITY AND NATIONAL UNIFICATION, BOTH LEADERS ARE APT TO JUSTIFY THEIR AUTHORITARIAN GOVTS. ACCORDING KYUNG CHO CHUNG, IF RULING PARTIES IN NK AND SK INSIST ON MORTGAGING PENINSULA'S FUTURE TO PAWNSHOPS OF THEIR OWN INTEREST, UNCLASSIFIED

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KOREAN PEOPLE MIGHT HAVE TO RESORT TO VIOLENCE. ADVOCATES N. AND S. KOREAN LEADERS SPEEDING UP NEGOTIATIONS FOR REUNIFICATION.

24. UNITED FRONT FOR KOREAN DEMOCRACY (IN NY) BUYS WP SPACE APPEALING TO PRES. AND CONGRESS TO ADOPT POLICY CONDEMNING PARK, AND WITHHOLDING ECON AND MIL AID TO SK UNTIL PARK RELEASES MORE THAN 5,000 POLITICAL PRISONERS, THEREBY LETTING WORLD KNOW US CARES ABOUT DEMOCRACY.

JAPAN

25. LAT'S JAMESON IN TOKYO (AUG 1) REPORTS MIKI'S SPEECH AT FOREIGN CORRESPONDENTS CLUB LUNCHEON. MIKI SAID HE IS NOT SEEKING IMMEDIATE OVERTHROW OF PRESENT GOVT, BUT DID NOT RULE OUT THAT HE AND FOLLOWERS MIGHT ONE DAY JOIN OPPOSITION TO MAKE TROUBLE IN PARLIAMENT FOR TANAKA. IN SPEECH, MIKI ALSO NOTED HE HAD BEEN "VERY DEEPLY MOVED BY THE UNSHAKEABLE CONVICTION OF THE AMERICAN PUBLIC IN THE PRINCIPLES OF DEMOCRACY" IN HANDLING WATERGATE AFFAIR. LABELLING SCANDAL A "DISHONOR" FOR US, HE ADDED: "BY FERRETING OUT SUCH A BASICALLY DISHONORABLE INCIDENT OF SUCH ENORMOUS PROPORTIONS, THE AMERICAN MASS MEDIA AS WELL AS THE CONGRESS OF THE UNITED STATES HAVE DEMONSTRATED THAT THEY THINK THE OBSERVANCE AND MAINTENANCE OF THE PRINCIPLES OF DEMOCRACY ARE FAR MORE IMPORTANT THAN THE TEMPORARY DISHONOR WHICH HAS BEEN BROUGHT ABOUT BY THE DISCLOSURE OF THE SCANDAL." JAMESON SAYS MIKI COMMENTS WERE FIRST MADE OPENLY BY LEADING RULING PARTY POLITICIAN ON WATERGATE.

26. GLOBE'S STORIN IN TOKYO ALSO NOTES MIKI'S WATERGATE COMMENTS AT FOREIGN CORRESPONDENTS CLUB LUNCHEON. HOWEVER, HE ALSO OBSERVES JAPANESE EDITORIALS REFLECTING THEME ADVANCED BY MIKI. MAINICHI SAID: "WE ARE IMPRESSED WITH THE HEALTH OF THE US POLITICAL SYSTEM AND THAT OF AMERICA'S POLITICAL CONSCIENCE." ASAHI,

QUOTING RODINO THAT "WE WILL HAND DOWN THE CONSTITUTION UNCLASSIFIED

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UNIMPAIRED TO OUR CHILDREN, AS OUR FATHERS DID," SAID: "SUCH WORDS GIVE US THE IMPRESSION THAT THE AMERICAN PEOPLE HAVE NOT LOST THEIR VITALITY FOR SURVIVAL AMID SUCH A GREAT CRISIS."

JAPAN TIMES SAID EVEN WHILE PRES' EFFECTIVENESS AS WORLD LEADER MAY BE IMPAIRED EVEN IF HE SURVIVES IMPEACHMENT TRIAL, "THE RESPECT AND ADMIRATION FOR THE AMERICAN DEMOCRATIC PROCESS WILL HAVE BEEN UPHELD AS A SHINING EXAMPLE FOR THE GLOBAL COMMUNITY."

TOKYO U FACULTY MEMBER, WADA, PRAISED "AMERICAN PEOPLE'S FAITH IN DEMOCRACY," ADDING THAT, IN COMPARISON, "DEMOCRACY IN JAPAN HAS NOT YET TAKEN A ROOT DEEP ENOUGH TO REGULATE PEOPLE'S EVERYDAY LIFE."

CITES KIDO, FORMER DIRECTOR OF JOURNALISM CENTER AT TOKYO U, CALLING IMPEACHMENT EXPERIENCE "DEMOCRACY RESURRECTED." HE SAID: "EVEN NIXON APPOINTEES AMONG THE SUPREME COURT JUSTICES ACT INDEPENDENT OF THE PRESIDENT AND THIS IS BECAUSE THEY PLEDGE THEIR OBLIGATION TO THE LAW RATHER THAN THE PRESIDENT."

STORIN OBSERVES JAPANESE LANGUAGE NEWSPAPERS, WHICH HAD BEEN RELEGATING WATERGATE STORIES TO LESS PROMINENT PAGES, NOW GIVE STORY FRONT-PAGE TREATMENT. CITES WESTERN DIPLOMATS REPORT SUDDEN UPSURGE OF INQUIRIES FROM JAPANESE OFFICIALS CONCERNING POSSIBLE EFFECTS ON US POLICIES IF PRES IS REMOVED FROM OFFICE.

27. AP TOKYO (LAT AUG 1) REPORTS JIYU MAGAZINE ARTICLE, AUTHORED BY SHINTARO ISHIHARA, DEPLORING ROOTLESSNESS OF JAPANESE SOCIETY AND ASSERTING THAT ONE REASON IS FAILURE TO ESTABLISH EMPEROR'S RESPONSIBILITY FOR WWII. ISHIHARA RECALLS THAT US REFUSED TO TRY HIROHITO ALONG WITH OTHER JAPANESE WARTIME LEADERS, REASONING THAT EMPEROR WAS STABILIZING AND UNIFYING FACTOR. HE CONCEDES THAT MOVE "CERTAINLY STABILIZED UNCLASSIFIED

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POSTWAR JAPANESE SOCIETY," BUT ARGUES THAT EMPEROR "LOST THE PLACE HE OCCUPIED IN THE JAPANESE PEOPLE'S HEART" BY LEAVING IMPERIAL RESPONSIBILITY UNQUESTIONED.

28. ISHIHARA IDENTIFIED AS ONE OF JAPAN'S BEST KNOWN POLITICAL AND LITERARY FIGURES; ALSO LOWER HOUSE MEMBER WHO LAST YEAR JOINED 30 OTHER LDP MEMBERS IN FORMING SEIRANKAI. ISHIHARA DENIES HE IS ULTRARIGHTIST; SAYS HE IS SEARCHING FOR ETHICAL CODE ON WHICH JAPANESE CAN BUILD NEW MORALITY. ARGUES THERE IS VACUUM AT CENTER OF JAPANESE SPIRIT HIDDEN

BY "EMPEROR CULT" AND "ILLUSION" OF DEMOCRACY. SAYS TANAKA IS "VERY SYMBOL OF THE INDISPUTABLE DEVASTATION AND CONFUSION" THAT MARKS JAPAN AT HOME AND ABROAD. TANAKA DREAMS OF CONTINUING CENTURY OF INDUSTRIALIZATION BEGUN IN MID-19TH CENTURY AND DOES NOT RECOGNIZE CHAOS IN JAPANESE SOCIETY, ISHIHARA ASSERTS.

LAOS

29. FROM LONG CHEN, LAT'S MCARTHUR (AUG 1) FILES LENGTHY REPORT DESCRIBING "MUTED TRAPPINGS OF WAR" SURROUNDING GENERAL VANG PAO'S ONCE-SECRET MOUNTAIN FORTRESS. INDICATES VANG PAO RESIGNED TO FACT WAR IS OVER, BUT ADDING THAT "WE WILL NEVER HAVE PEACE AS LONG AS THE NORTH VIETNAMESE ARE HERE." VANG PAO DISMISSES IDEA THAT N VIETS WILL EVER PULL OUT OF PDJ AND TURN OVER ADMIN TO PL FORCES - WHO WOULD BE ACCEPTABLE TO MEOS.

REFERRING TO VALLEY ABOUT 60 MILES NORTH, VANG PAO SAYS FROM THERE, N VIET BRIG GEN, WITH RADIO AND SUPPLIES TUCKED IN BUNKERS AND CAVES, COMMANDS PDJ OPERATIONAL FRONT. IT IS ONE OF THREE N VIET MIL COMMANDS IN LAOS, ALL REPORTING DIRECTLY TO HANOI - AND BYPASSING PL POLITICAL HQS AT SAM NEUA. WHILE VANG PAO ADMITS N VIETS SHOW NO PRESENT SIGN OF ATTACKING, HE NOTES PRESENCE OF FOUR VETERAN REGIMENTS IN PLAIN PROBABLY NUMBERING 10,000. THESE ARE COMBAT TROOPS; NUMBER OF SUPPORT TROOPS AND PL FORCES COULD UNCLASSIFIED

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DOUBLE THAT - POSSIBLY MORE. HE CLAIMS N VIETS HAVE TWO GOOD HIGHWAYS GOING INTO PDJ; ONE CUTS ALMOST DUE EAST TO PANDHANDLE OF NVN, BUT SOMETIMES IMPASSABLE IN RAINY SEASON; OTHER IS ALL-WEATHER ROUTE LEADING NE FROM PLAIN TO N VIET BORDER. DEFECTORS AND AGENTS IN PDJ, ACCORDING VANG PAO,

SAID ABOUT 50 TRUCKS DAILY GO BETWEEN PLAIN AND NVN,
BRINGING IN FOOD AND AMMO, AND TAKING OUT TIMBER,
HIDES, SCRAP METAL, ETC.

MCARTHUR ASSERTS THAT WHERE VANG PAO ONCE COMMANDED
PERHAPS 25,000 MEN, INCLUDING SOME 4,000 THAI
MERCENARIES, HE IS NOW DOWN TO 6,700; NUMBER TO
DROP EVEN MORE BY END OF YEAR WHEN OVERALL LAO ARMY
WILL DROP TO 50,000 MEN FROM 78,000 PEAK. SAYS THERE
IS GRUMBLING AMONG MEN BEING SENT HOME - SOME HAVING
BECOME VIRTUALLY PROFESSIONAL SOLDIERS WITH UP TO
15 YEARS SERVICE - AND MORE GRUMBLING OVER PAY AND
SEVERANCE ALLOWANCES. PAY OF TRIBAL SOLDIERS - ONCE

ABOUT 60 DOLLARS MONTHLY - WAS CUT IN HALF WHEN THEY
WERE INCORPORATED INTO ROYAL LAO ARMY AND LOST CIA
SUBSIDIES. KISSINGER

UNCLASSIFIED

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